

BILL ANALYSIS

H.B. 4553
By: Lucio III
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised regarding certain statutory provisions that allow for the granting of single certification to a municipality for the provision of retail utility service to an incorporated or annexed area. It has been suggested that such provisions have been used as a way to pressure developers to get out of a service area as a condition for certain municipal approvals. H.B. 4553 seeks to address these concerns by providing for certain discretion for the Public Utility Commission of Texas in granting single certification to a municipality.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 4553 amends the Water Code, for purposes of certain cases relating to an area incorporated or annexed by a municipality for which the municipality desires and intends to provide retail utility service and files an application with the Public Utility Commission of Texas (PUC) to grant single certification to a municipally owned water or sewer utility or to a franchised utility, to remove the requirement that the PUC grant single certification to the municipality. The bill replaces that requirement with an authorization for the PUC to grant single certification to the municipality unless the PUC makes an express finding that the municipality failed to demonstrate the retail public utility that provides water or sewer service to the area is not capable of providing service to the proposed decertified area on a continuous and adequate basis and supports each of its findings and conclusions based solely on the information provided by the municipality and the retail public utility. The bill removes the requirement that the PUC determine whether single certification as requested by the municipality would result in property of a retail public utility being rendered useless or valueless to the retail public utility. The bill authorizes an applicable retail public utility to appeal an applicable PUC ruling in a separate appeals hearing before the PUC.

EFFECTIVE DATE

September 1, 2019.